

Message Text

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PAGE 01 STATE 006815

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ORIGIN AF-06

INFO OCT-01 ISO-00 (ISO) R

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DRAFTED BY AF/C:DLCARDWELL:LA

APPROVED BY AF/C:TBUCHANAN

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P 121620Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA PRIORITY

LIMITED OFFICIAL USE STATE 006815

FOLLOWING REPEAT BANGUI 6485 ACTION SECSTATE DEC 23.

QUOTE: LIMITED OFFICIAL USE BANGUI 1896

E.O. 11652: N/A

TAGS: EINV, EMIN, CT

SUBJECT: GOCAR CANCELLATION OF SCED TAX BENEFITS

1. PRESIDENTIAL DECREE NO. 75/528 ISSUED DECEMBER 18 UNILATERALLY CANCELS TAX BENEFITS ACCORDED THE AMERICAN CANADIAN/CAR DIAMOND COMPANY "SOCIETE CENTRAFRICAINE D'EXPLOITATION DIAMANTEIFERE" (SCED). BENEFITS HAD BEEN ACCORDED SCED UNDER REGIME C, THE MOST BENEFICIAL TAX CATEGORY, IN PRESIDENTIAL LETTER DATED FEBRUARY 25, 1972.

2. CAR DIRECTOR FRED OELBAUM OF DIAMOND DISTRIBUTORS INCORPORATED (DDI), PART-OWNER WITH COMINCO OF SCED, CALLED AT EMBASSY DECEMBER 23 TO CONVEY REQUEST FROM DDI NEW YORK OWNER BERT JOLIS THAT CHARGE INQUIRE IF THIS ACTION TAKEN AGAINST SCED ALONE OR WHETHER OTHER FIRMS ENJOYING BENEFITS UNDER REGIME C HAVE ALSO BEEN HIT. EMBASSY ASKED TO ATTEMPT TO OBTAIN RECONSIDERATION OF THE DECREE.

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PAGE 02 STATE 006815

3. FYI SCED/CAR CONVENTION D ETABLISSEMENT PROVIDES THAT

IBRD SHALL ARBITRATE DIFFERENCES ARISING BETWEEN THE
PARTIES AND BANK HAS AGREED TO THIS. END FYI.

3. CHARGE PLANS TO RAISE THIS ISSUE WITH PRESIDENT BOKASSA
ALONG WITH TEXACO/MOBIL NATIONALIZATIONS IN GENERAL CONTEXT
OF TOUR D'HORIZON OF US/CAR RELATIONS AT MEETING
REQUESTED BUT NOT YET CONFIRMED FOR DECEMBER 24.
SWING
UNQUOTE KISSINGER

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: DIAMONDS, TAX CONCESSIONS, BUSINESS FIRMS, TAX REFORMS
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Draft Date: 12 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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